CLAIMS

- 1. A system for verifying the purchase of a retail item by a customer comprising:

 a label associated with the retail item, said label lacking a post-purchase machine-readable indicia;

 a point of sale encoding device, said encoding device providing a machine-readable post-purchase indicia when the label is scanned during purchase by the customer; and

 a detecting device for analyzing the label to determine whether the post-purchase machine-readable indicia is present.
 - $\sqrt{2}$. The system of claim 1 wherein said post-purchase machine-readable indicia is machine readable only.
 - √ 3. The system of claim 1 wherein said post-purchase machine-readable indicia is invisible.
 - 4. The system of claim 3 wherein said post-purchase machine-readable indicia is visible when irradiated with far-red, infrared or ultraviolet radiation.
 - $\sqrt{5}$. The system of claim 1 wherein said encoding device provides said machinereadable post-purchase indicia photochromically, thermalchromically, magnetically,

electro-magnetically, optically, electro-optically, holographically, electrically or via radiofrequency.

- √ 6. The system of claim 1 wherein the composition of said label is selected from the group consisting of paper, plastic, photochromic material, thermalchromic material, magnetic material, electrically conductive material, holographic material, a microprocessor, a microchip or a memory chip.
- $\sqrt{7}$. The system of claim 1 wherein said label is comprised of a plurality of layers.
- $\sqrt{8}$. The system of claim 1 wherein said label is a bar code.
 - 9. The system of claim 1 wherein a refund for the retail item is conditioned upon the detection of the post-purchase machine-readable indicia by the detecting device.
 - 10. The system of claim 9 wherein said detector removes said machine-readable postpurchase indicia from said label after a refund is given to the customer.
 - 11. The system of claim 1 wherein said machine-readable post-purchase indicia identifies the store where said retail item was sold.
 - 12. The system of claim 1 wherein the machine-readable post-purchase indicia identifies the date and time of sale for the retail item.

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- 13. The system of claim 1 wherein the machine-readable post-purchase indicia identifies the method of payment used to purchase the retail item.
- 14. A method for verifying the purchase of a retail item by a customer comprising:

providing a label associated with the retail item, said label lacking a machine-readable post-purchase indicia; encoding a machine-readable post-purchase indicia onto the label by a point of sale encoding device when said label is scanned during purchase by the customer; and analyzing said label with a detecting device to determine whether the machine-readable post-purchase indicia is present.

15. The method of claim 14 wherein a refund for the retail item is conditioned upon the detection of the post-purchase machine-readable indicia by the detecting device.